WORKFORCE OBSERVATIONS
FOR SOUTHEAST WISCONSIN COUNTIES
JUNE 2002

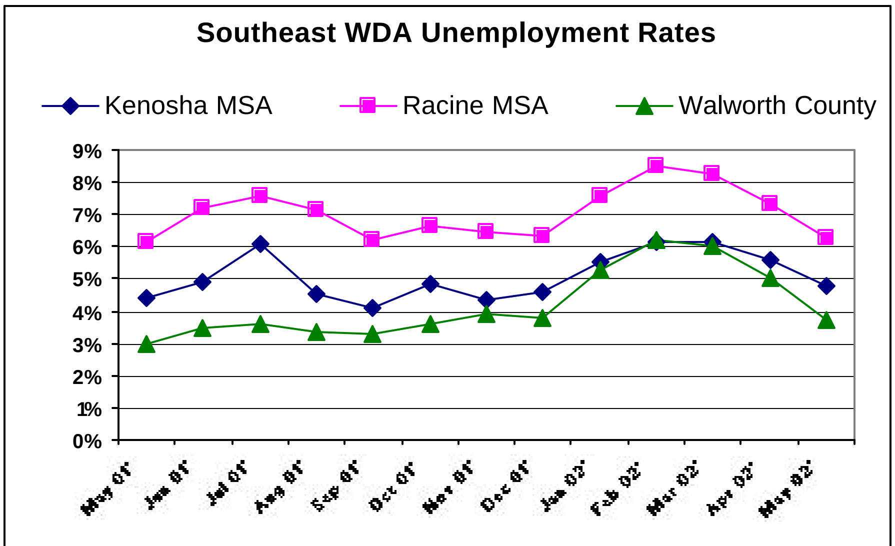
State of Wisconsin
Department of Workforce Development

May Unemployment Rates Plunge

May brought about a large dip in the Southeast WDA unemployment rates. Obviously, this is a very welcome sign as many economists are believing that the recovery from last year's recession will take longer than typically expected. While the April to May change in labor force brings a major seasonal bump upwards in employment and lower unemployment rates, it is usually never this dramatic. April's rates were very high and were probably a high starting point of reference more than anything, but this does not take anything away from the great overall monthly labor force and industry performance.

The **Racine MSA** not seasonally adjusted unemployment rate declined 1.1 percent points to 6.3 percent. The **City of Racine** rate declined by the same margin to 9.9 percent. The labor force components were very balanced in May as the number of employed increased by 1,040 and the unemployed decreased by 1,000. Racine MSA shows the best annual performance (despite having the highest unemployment rate in the southeast region) as its unemployment rate is only one-tenth of a point higher than a year ago. It is also showing the smallest annual increase in the number of unemployed and the largest increase in employed within the region. One hopes this is a continued pattern in Racine and the rest of the country.

Walworth County's not seasonally adjusted unemployment rate stands at 3.7 percent. This is hugely improved from April, down 1.3 percent points, though it is still seven-tenths of a point higher than May 2001. The labor force data show 2,040 more employed and 640 fewer unemployed over the month. Still, the trend of more unemployed over the year continues.



Source: U.S. Bureau of Labor Statistics and DWD

The nonfarm wage and salary industry figures for **Walworth County** show the largest regional, monthly, industry employment increase as it is easily the most seasonally-oriented of the three counties. The all-industries figure climbed 1,760 total jobs over the month with 710 of these jobs in the services industry. Most of the services jobs are in the hospitality and recreation sectors as Walworth County will play host to thousands of visitors and part-year residents over the next few months. Manufacturing and construction improved by 80 jobs and 340 jobs, respectively and is showing the first monthly increase for manufacturing since August 2001. June will most likely bring about a fairly large monthly increase in industry employment figures as well.

An annual tally shows 610 more jobs than in May of 2001. Most of the gains were in service-producing sectors with large gains in FIRE and government. The only annual losses were in manufacturing and its counterpart, wholesale trade which combined for 520 fewer jobs.

All-Industries employment increased by 1,150 jobs over the month and it is the largest monthly increase since June of 2000. Construction was the winner industry gaining 410 jobs. Combining this with manufacturing's 120 job gain and the goods producing sectors have shown their biggest increase since June 2000 as well. The majority of the months within the last year have shown a decrease in goods producing sectors but they have shown gains for three straight months. Government and services show large gains as is expected this time of year as local governments hire for road construction and park recreation duties. Services employment is bolstered in the hospitality sectors, especially in hotels and motels, and in various business services sectors such as temporary help agencies.

Annually, there are Racine MSA has 320 more total jobs than in May 2001. Losses were centered in manufacturing, -550 jobs, and in wholesale trade, -210 jobs. Government employment continues to run higher than a year ago as it has for several months now and it is mainly in the local government branches.

The not seasonally adjusted unemployment rate for the **Kenosha MSA** stands at 4.8 percent, down eight-tenths of a percent point from April and is four-tenths higher than the

(Continued on page 2)

figure from May of 2001. Almost 1,300 more people were employed since last month. There were 600 fewer unemployed. May's unemployment rate is a bit higher than the 4.8 percent average for this month given the 1991-2001 time period.

Kenosha County's industry data, like the rest of the counties in the southeast, showed promising monthly growth. The growth summed to 950 new jobs; fairly large for a monthly change. Manufacturing employment dipped slightly along with wholesale trade. Construction, services and retail trade showed their seasonal tendencies as they combined to create 840 new jobs. Government also added a sizable number of jobs as well in May.

Over the year, Kenosha paints a somewhat surprising employment picture. Kenosha County shows a 170 job deficit from May 2001. The 820 manufacturing job decrease is not so surprising (given the current economy) as is the continued and stagnant decrease in services and FIRE employment. One would have assumed that that given the hints of recovery that these industries in particular would have caught up to and even exceeded last years employment levels. One would think this would especially be true in the services industries because of the news that temporary help agencies, nationally, have been picking up business as of late. These agencies usually start getting busy when businesses expand.

Many economists are still speculating that this will continue to be a slow recovery. Many are still puzzled as to how to define the sluggishness in the last 20 months. Simply put, until capital and other business spending increases and more workers are put onto the payrolls, we will continue to see malaise. When businesses are convinced that other businesses and consumers want more of their goods, they will begin to bolster their payrolls.

May 2002	Wisconsin	Kenosha County/MSA	Racine County/MSA	Walworth County	Southeast WDA	City of Kenosha	City of Racine
Civilian Labor Force*	*3,040,449*	*83,219*	*93,456*	*55,964*	*232,639*	*49,201*	*38,833*
Persons Employed	*2,902,722*	*79,225*	*87,583*	*53,873*	*220,681*	*46,326*	*35,005*
Persons Unemployed	*137,727*	*3,994*	*5,873*	*2,091*	*11,958*	*2,875*	*3,828*
Unemployment Rate	*4.5%*	*4.8%*	*6.3%*	*3.7%*	*5.1%*	*5.8%*	*9.9%*
Total jobs of all non-farm industries**	2,844,625	55,057	81,535	43,306	179,898		
Goods Producing Jobs	693,953	14,467	25,046	11,274	50,787		
Service Producing Jobs	2,150,672	40,590	56,489	32,032	129,111		
Construction & Mining	129,848	2,997	3,761	2,279	9,037		
All Manufacturing	564,105	11,470	21,285	8,995	41,750		
Transportation, Communications & Public Utilities	132,673	2,065	2,509	1,714	6,288		
Wholesale Trade	138,218	2,416	3,206	1,504	7,126		
Retail Trade	505,749	11,270	14,521	7,906	33,697		
Finance, Insurance, and Real Estate	152,130	1,399	2,357	1,567	5,323		
Services	794,368	14,212	23,285	11,244	48,741		
All Government	427,534	9,228	10,611	8,097	27,936		
Change from April 2002							
Civilian Labor Force*	*-5,850*	*690*	*50*	*1,400*	*2,140*	*370*	*-30*
Persons Employed	*30,420*	*1,290*	*1,040*	*2,040*	*4,380*	*760*	*420*
Persons Unemployed	*-36,270*	*-600*	*-1,000*	*-640*	*-2,240*	*-390*	*-450*
Unemployment Rate	*-1.2%*	*-0.8%*	*-1.1%*	*-1.3%*	*-1.0%*	*-0.8%*	*-1.1%*
Total jobs of all non-farm industries**	35,060	950	1,150	1,760	3,860		
Goods Producing Jobs	13,020	180	520	410	1,110		
Service Producing Jobs	22,040	780	630	1,340	2,750		
Construction & Mining	11,590	230	410	340	970		
All Manufacturing	1,430	-50	120	80	140		
Transportation, Communications & Public Utilities (TCPU)	1,910	-10	30	50	60		
Wholesale Trade	1,410	-10	40	20	50		
Retail Trade	8,240	200	240	260	700		
Finance, Insurance, and Real Estate (FIRE)	720	0	30	170	200		
Services	11,480	410	190	710	1,300		
All Government	-1,730	190	110	140	430		
Change from May 2001							
Civilian Labor Force*	*62,320*	*1,760*	*2,350*	*2,050*	*6,160*	*970*	*730*
Persons Employed	*49,130*	*1,340*	*2,100*	*1,580*	*5,030*	*790*	*840*
Persons Unemployed	*13,200*	*420*	*250*	*470*	*1,140*	*180*	*-110*
Unemployment Rate	*0.3%*	*0.4%*	*0.1%*	*0.7%*	*0.4%*	*0.3%*	*-0.5%*
Total jobs of all non-farm industries**	1,330	-170	320	610	760		
Goods Producing Jobs	-21,910	20	-510	-400	-890		
Service Producing Jobs	23,240	-190	830	1,010	1,650		
Construction & Mining	20	840	40	90	970		
All Manufacturing	-21,930	-820	-550	-490	-1,870		
Transportation, Communications & Public Utilities (TCPU)	-3,550	-80	40	10	-30		
Wholesale Trade	350	-160	-210	-30	-390		
Retail Trade	3,930	80	120	150	350		
Finance, Insurance, and Real Estate (FIRE)	2,470	-50	10	380	330		
Services	17,060	-170	410	10	260		
All Government	2,970	190	450	480	1,120		

* Labor force figures are **not** seasonally adjusted and are commonly revised. Figures from "place of residence" survey from the Bureau of Labor Statistics' Local Area Unemployment Statistics program.

**Figures based upon "place of employment" survey from the BLS, Non-Farm Wage and Salary estimates

Month and year ago change figures are rounded and may not sum to total

Questions and comments regarding this publication are welcome. Direct to: ***Eric Grosso, State Labor Market Economist***
201 E. Washington Avenue, Room G200, Madison, Wisconsin 53703
608-266-7034 608-266-5887(FAX) E-mail: grosser@dwd.state.wi.us
Look for the most current Labor Market Information at: WWW.DWD.STATE.WI.US/LMI